

**CODE OF BUSINESS
CONDUCT and ETHICS**



Table of Contents

- 1.0 Introduction
 - 1.1 Application to Different Groups
 - 1.2 Personal Integrity
 - 1.3 Personal Responsibility
 - 1.4 The Basic Rules
- 2.0 Our Working Environment
 - 2.1 Working Environment
 - 2.2 Protection from Harassment & Discrimination
 - 2.3 Employee Privacy
 - 2.4 Workplace Health & Safety
- 3.0 Safeguarding Company Assets
 - 3.1 Integrity of Books and Records
 - 3.2 Funds
 - 3.3 Company Property
 - 3.4 Confidentiality
 - 3.5 Computer & Network Security
- 4.0 Conflict of Interest
 - 4.1 Gifts, Samples & Entertainment
 - 4.2 Family & Personal Relationships
 - 4.3 Memberships on Boards of Directors
- 5.0 Customer Relations
- 6.0 Community & Public Relations
- 7.0 Political & Charitable Contributions
- 8.0 Relations with Competitors
- 9.0 Provisions for Compliance with the Code of Business Conduct and Ethics
 - 9.1 Consequences for Breach of Code
 - 9.2 Reporting Breaches of the Code
 - 9.3 Waivers of the Code
 - 9.4 Reimbursement of Incentive and Equity Based Compensation

1.0 Introduction

This Code of Business Conduct and Ethics (the “Code”) has been adopted by Sobeys Inc. and its direct and indirect subsidiaries (collectively, the “Company”) and has been approved by the Leadership Committee and the Board of Directors of Sobeys Inc. It applies to the Directors and to all employees of the Company.

In keeping with our core values:

- Always Place the Customer First
- Get it done with Passion and Integrity
- Stay Real
- Proudly Serve our Communities

you are expected to read this Code carefully and apply the principles and follow the rules contained in this Code in performing your duties for the Company.

No written code can cover every situation that may arise nor set forth a rule to follow in all cases. There are other specific Company policies and practices, as well as common sense standards of conduct and individual judgment and conscience, which you are expected to understand and adhere to in the carriage of your responsibilities. In case of any doubt, all employees of the Company are requested to seek advice from their managers or their Human Resources Department.

1.0 Application to Different Groups

Employees must ensure that they:

- Perform their jobs and conduct their business dealings legally, ethically and in accordance with the principles laid out in this Code
- Seek advice when faced with a difficult ethical situation or dilemma
- Disclose any real or potential contravention of this Code to their manager (or Human Resource management) for discussion and resolution

Employees who have supervisory responsibilities are also obliged to ensure that:

- They set an example at all times by complying with the Code even in the most difficult of circumstances
- All employees reporting to them have a copy of the Code, understand its provisions and comply with them at all times
- They create and maintain a work environment that promotes ethical behaviour at all times
- They immediately report any actual or perceived breach of the Code to the appropriate authority
- They take the appropriate disciplinary action after consulting with the appropriate parties once it has been established that the Code has been violated

Executive officers of the Company are expected to:

- Carry out their responsibilities honestly and with integrity, exercising at all times their best independent judgment. The leadership responsibilities of executive officers include creating a culture of high ethical standards and commitment to compliance, maintaining a work environment that encourages employees to raise concerns, and promptly addressing employee compliance concerns
- Consistently demonstrate compliance with the Code and with the laws, regulations and rules that govern the conduct of the Company's business

- Avoid situations in which their own interests conflict, or may appear to conflict, with the interests of the Company.
- Ensure full, fair, accurate, timely and understandable disclosure of the financial position of the Company and compliance with all the rules governing disclosure
- Promptly bring to the attention of the Chief Auditor or the Board of Directors any matters that could compromise the integrity of the Company's financial reports and any violation of this Code or of any law, regulation or rule related to the Company's accounting or financial affairs

Additional Provisions for Members of the Board of Directors of Sobeys Inc.

The Directors are expected to be familiar with and meet the standards contained in this Code. In light of the special and distinct obligations of Directors, including their fiduciary duty to the Company, the Directors are held to a higher standard than employees, and must conduct himself or herself in accordance with the following principles:

Confidentiality

All Directors must maintain the confidentiality of information in respect of the Company, its employees and management. Internal company information must not be disclosed to others outside of the Company other than as required by law or when required to fulfill official duties. This obligation continues after a Director leaves the Board.

Communications

No Director should speak or act as an individual on behalf of the Board unless authorized to do so in advance.

Participation in the Business of the Board

Directors should participate actively in the business of the Board and make a positive contribution to provide visionary leadership and direction to the Company, all the while ensuring that the Company fulfills its obligations to its shareholder, employees, suppliers and customers.

Directors should stay informed on matters of interest to the Company to enable them to participate actively and constructively in discussions of the Board or of the Board committees of which they are members. Directors should come to the meetings of the Board and its Committees having read and considered the materials provided in support of the meeting agendas.

In the course of fulfilling their duties, Directors should exercise care, diligence and skill of a reasonably prudent person acting in comparable circumstances.

Directors should always act honestly and in the best interests of the Company.

Directors are expected to understand and follow the printed policies, goals and principles of the Company and the mandates of the Board of Directors and its committees, and to act ethically, with integrity and within the parameters of the law.

Directors should express contrary views or opinions held on matters under discussion or consideration by the Board.

Prior to joining the Board, a Director should provide the Corporate Governance Committee with such personal information as may be required by the Company to fulfill its regulatory requirements. Directors should maintain the currency of such information throughout their respective terms by reviewing the information and promptly advising the Corporate Governance Committee of any changes that have occurred.

Conflicts of Interest

Directors should avoid any situation involving a conflict, or the appearance of a conflict, between their personal interests and the performance of their official duties. If such a conflict arises, the Director involved should promptly inform the Board and withdraw from participating in the decision-making connected with the matter. If the conflict is potential rather than actual, the Director should seek the advice of the Board about whether the Director should recuse himself or herself from the situation that is creating the potential conflict or the appearance of conflict. The interest of a Director resulting only from direct or indirect shareholdings of the Company shall not, on its own, be considered to be a conflict of interest for the purpose of this Code.

Directors should not use, or disclose to others, Confidential Information (as defined in Section 3.4 of this Code) to which they have access for the purpose of carrying out private financial transactions involving the Company, its affiliates, or any other entity the information about which was obtained by the Company on a confidential basis.

1.2 Personal Integrity

As employees, it is part of our job to ensure that we uphold a commitment to personal integrity and honesty, and to ethical and legal behaviour. We each must perform our jobs fully and competently to meet the Company's business needs and ultimately ensure excellence in customer satisfaction. Commitment to personal integrity also means being accountable for our own behaviour and supporting our shared goal of upholding the values, principles and standards that form the basis of our Company's reputation.

1.3 Personal Responsibility

Many aspects of our jobs are covered by specific laws and regulations. Compliance with them is a minimum standard of ethical conduct. However, ethical behaviour goes beyond legal compliance. It involves thinking through the impact of our decisions and actions on all stakeholders: customers, employees, suppliers, shareholder and other parties involved in our business.

Although this Code lays out fundamental principles of ethical and legal conduct, it cannot anticipate every ethical situation we may face as we perform our jobs. When faced with a difficult or unclear situation, it may be helpful to ask the following questions:

- Is this decision legal and in accordance with Company policy?
- Does this action have any adverse consequences or have the potential to harm one of our stakeholder groups?
- If my actions became public, how would they be reported and interpreted in the media and by my family and friends? How would I justify them?

Ultimately we are responsible for our actions. No one, including your manager, can force you to commit an unethical or illegal act that may damage your reputation or that of the Company. We all have a responsibility for ensuring that we do not breach this Code or condone the actions of others when they do.

1.4 The Basic Rules

Whenever performing your job as an employee of the Company you take an action or make a decision (including a decision not to take an action), you must be able to answer “yes” to all three of the following questions:

- a) Is it legal?
- b) Is it ethical?
- c) Is it in the best interest of the Company?

If you are aware of actions taken or decisions made by another employee which do not satisfy all three questions, you should take the steps described in Article 9 – Provisions for Compliance with the Code of Business Conduct and Ethics.

a) Is it legal?

Compliance with the law is an absolute requirement for the Company and its employees. You must observe all federal, provincial and municipal laws and regulations that apply to the Company's business. The Company and its employees will at all times respect the laws and regulations in force wherever the Company operates. Although you are not expected to be an expert in such laws, you are nonetheless expected to be generally aware of the laws and regulations that govern the operation of your department, division or areas of functional responsibility. If you are unsure of the applicable laws, ask your manager or consult your Human Resources representative or your Legal Department.

b) Is it ethical?

In addition to complying with all applicable laws and regulations, you are expected to conduct all Company business in accordance with the highest standards of ethical business conduct. The integrity of the Company's reputation demands that everyone acting on its behalf do so with honesty, good faith and fairness. Ethical behaviour cannot be fully described in any set of policy manuals or codes; however, as a guideline for making decisions you should attempt to answer the following questions:

- i) Is the situation being handled honestly and fairly?
- ii) Would I feel morally comfortable if the full details of my action or refusal to act were made known to my immediate supervisor, my co-workers, my department staff, my friends, my family, the public or the Company's customers or shareholder?

Employees of the Company must not take advantage of their positions for the purpose of personal gain from contact with those who do business or would like to do business with the Company. The choice of suppliers of goods and services will be based on the criteria of quality, price, usefulness and service for/to the Company.

You are expected to apply these ethical standards in all Company business, including dealings with customers, vendors, suppliers, fellow employees, consultants, contractors and anyone else with whom you do business for the Company.

c) Is it in the best interest of the Company?

Actions you take must be those that best serve the interests of the Company and its shareholder as a whole, rather than those that benefit only your department, your store, your region, your manager or your personal interests (such as your finances or short-term personal convenience or those of your family or friends).

2.0 Our Working Environment

2.1 Working Environment

We strive to create a working environment characterized by trust and respect for everyone we deal with – customers, fellow employees, suppliers and other stakeholders in our business. The Company is committed to creating a working environment which:

- Enables all employees to contribute based on their performance and ability
- Recognizes the dignity and worth of all employees
- Enables everyone to work without being harassed, intimidated or facing discrimination.
- Makes every reasonable effort to accommodate employees' needs
- Promotes a safe workplace

2.2 Protection from Harassment and Discrimination

Every employee has a right to a workplace free from discrimination and harassment. The Company prohibits all types of unlawful discrimination and harassment in the workplace, whether directed at an individual or a group. This includes discrimination based on race, ethnic origin, place of origin, colour, religion, age, sex (including pregnancy or childbirth), sexual orientation, marital status, family status and disability.

“Harassment” means a course of conduct (including comments, gestures, innuendo and displaying materials of a sexual or other discriminatory nature) that is known or ought reasonably to be known to be offensive or unwelcome to the recipient. It can also be a course of conduct or behaviour that includes verbal, physical and emotional abuse which creates an intimidating or offensive work environment for the recipient.

2.3 Employee Privacy

The Company respects all employees’ privacy and only collects information about employees for lawful reasons relevant to the business. Information in personnel files and medical records is strictly confidential. Access is available only to authorized persons. Therefore, all requests for references or employment information must be referred to the Human Resources Department.

2.4 Workplace Health & Safety

The Company is committed to providing a healthy, safe and secure workplace. To uphold this goal, we must all:

- Comply with all relevant health and safety legislation and regulations
- Comply with all environmental safety regulations
- Comply with all Company health and safety policies
- Wear and/or use the safety equipment, materials and devices required by legislation and/or Company policies
- Take appropriate actions to eliminate, control or report hazardous conditions when observed; we must never place our own safety at risk in attempting to correct a hazardous condition

- Follow safe work procedures in carrying out our job duties

All of the Company policies mentioned above are available and may be obtained from our Human Resources Department.

3.0 Safeguarding Company Assets

3.1 Integrity of Books and Records

We all have a responsibility for safeguarding Company assets. This is crucial for maintaining the trust of government agencies and other stakeholders. The improper use or recording of our assets could adversely impact our business strategies and decisions, and in some circumstances is illegal.

We must all:

- Adhere to all accepted accounting standards and practices
- Ensure proper, accurate and timely documentation
- Record all funds, transactions and assets
- Keep books and records which accurately and honestly detail all of the Company's transactions
- Sign only those documents which we believe are accurate and truthful
- Restrict access to Confidential Information

3.2 Funds

With respect to Company funds, we must all:

- Charge all transactions to the appropriate account
- Use corporate property such as corporate credit cards, office equipment, etc., for business purposes only
- Use the services of suppliers with whom the Company has negotiated special arrangements for travel, lodging, car rental etc.
- Submit authorized and accurate expense accounts in accordance with Company policies

3.3 Company Property

We must protect all Company Property against theft, vandalism, sabotage and unauthorized use or consumption at business and at home. “Company Property” includes offices, office equipment and supplies, tools, vehicles, patents, copyrights, company logos, computer software and hardware, cellular and wireless devices, e-mail, instant messages and voice-mail. If we leave the Company, these assets must be returned. Company Property also includes all products that we sell at the retail and wholesale level. The Company does not permit the unauthorized use of Company time, facilities or resources for activities other than recognized Company business.

3.4 Confidentiality

Unauthorized disclosure of Confidential Information can severely damage the Company. The directors, officers and employees of the Company are prohibited from disclosing or using Confidential Information except in the ordinary course of business.

“Confidential Information” means commercially or competitively sensitive, proprietary or private information concerning the business and affairs of the Company (including information concerning the finances, employees, technology, processes, facilities, products, suppliers, customers and markets of the Company) or its suppliers, and includes without limitation undisclosed Material Information.

“Material Information” means information concerning the business and affairs of the Company that would reasonably be expected to have a significant effect on the market price or value of any securities of the Company. (While the shares of the Company are no longer publicly traded, the Company continues to have other publicly held securities.)

“Spokespersons” are the President and Chief Executive Officer, the Executive Vice President and Chief Financial Officer, the Vice President Finance and Treasurer and the Vice President Communications and Corporate Affairs. These spokespersons may, from time to time, designate others to speak on behalf of the Company or to respond to specific inquiries from the investment community or the media. Employees who are not authorized spokespersons must not respond to inquiries from the investment community, the financial media or other persons, unless specifically asked to do so by an authorized spokesperson. All such inquiries shall be initially referred to an authorized spokesperson.

The following rules apply to Confidential Information:

- a) **Confidential Information.** All internal information concerning the business and affairs of the Company must be considered and treated as Confidential Information, except information that has been publicly disclosed through a media release or some other public disclosure (e.g., Sobeys Inc.’s quarterly or annual reports, information circular or annual information form). Also, personal information about Company employees is Confidential Information, as is information provided to the Company by suppliers on a confidential basis. Examples of Confidential Information include:
- merchandising/marketing strategies and promotional plans
 - pricing lists
 - supplier arrangements
 - legal proceedings
 - internal audit reports and files
 - security reports
 - training materials
 - human resource programs
 - personnel information

- sales volume, profit and inventory statistics
 - long-range strategic planning, specifications, drawings, models
 - records, manuals, reports and papers
 - customer lists
 - store lists
 - software, methods and programs
 - new or improved technology
 - devices and processes
 - client and retailer information
 - annual and quarterly financial results (before press release)
 - new products and services
 - business plans
 - company restructuring plans
 - sales results
 - merger, divestiture, or acquisition plans
 - negotiations with unions
 - management changes
 - information provided to the Company by third parties on the basis that it be kept confidential or which is otherwise confidential or proprietary to a third party
 - any other information of a similar nature to that listed above.
- b) ***Disclosure.*** Confidential Information must not be disclosed to anyone, inside or outside the Company, except in the necessary course of business (e.g., planning and negotiating an acquisition, a divestiture, a joint venture or a supply arrangement). Confidential Information must be appropriately protected and used with discretion. Unauthorized disclosure of Confidential Information is not only a violation of this Code, but may also be illegal if it is shared for the purpose of insider trading (trading securities of the Company or Empire Company Limited with knowledge of undisclosed Material Information) or tipping (disclosing undisclosed Material Information relating to the Company other than in the necessary course of business).

- c) **Outsiders.** If Confidential Information is to be disclosed to outside individuals or firms in the necessary course of business, they must be instructed not to disclose the information to others except in the necessary course of business and, if the information is undisclosed Material Information, not to trade in the securities of any public company whose securities may be affected by the Material Information until the information has been publicly disclosed. In appropriate circumstances, the outsiders will be required to sign confidentiality agreements.
- d) **Safeguarding Confidential Information.** All reasonable care must be taken to safeguard the confidentiality of Confidential Information including the following:

- Confidential Information should be securely sealed and clearly marked before it is distributed to ensure that no one other than the intended recipient has opportunity to view it. Employees should use large, clear print and label packages/envelopes in a visible location. To eliminate potential confusion, employees should mark Confidential Information using a label such as:

Private & Confidential
To Be Opened By Addressee Only
Confidential
Private

However, the mere fact that information or material is not marked in this fashion does not mean that it is not Confidential Information.

- Confidential Information must not be discussed in places where it may be overheard (e.g., elevators, restaurants or airplanes), nor with colleagues (other than those who are authorized to have access to such information, and only as necessary in the conduct of business), family members or friends.

- Documents containing Confidential Information must be stored in a secure location (i.e. locked office or cabinet) and must never be left unsecured. Confidential Information which is in electronic form must also be kept secure, for example, by the use of computer passwords.
- Computer system passwords must be used, kept confidential and changed periodically.
- Computer terminals must not be left logged on and unattended where they can be accessed by others.
- Visitors must not be left alone in offices containing Confidential Information.
- All reasonable care must be taken to ensure that faxes containing Confidential Information are sent to the intended recipient, including double-checking the fax number before transmission.
- Confidential Information must be disposed of in a manner that ensures that it will not be disclosed or become available contrary to this policy.

- OfficeEmployees:

All Company offices provide access to shredding facilities. Employees must deposit all Confidential Information for shredding.

- RetailEmployees:

All the Company corporate stores should be equipped with a shredder. All Confidential Information located at store level (e.g. sales information) must be shredded or destroyed so that it is unreadable before it leaves the store property.

- e) ***Investment Decisions by Others.*** All reasonable care must be taken to avoid influencing or appearing to influence investment decisions by others with respect to securities of Sobeys Inc. or Empire Company Limited (e.g., participating in discussions at any investment club or responding to questions about whether or not now is a good time to buy or sell securities of Sobeys Inc. or Empire Company Limited must be avoided).
- f) ***Communicating with the Public.*** The Spokespersons are the only persons authorized to communicate with the public on behalf of the Company. All other directors, officers and employees of the Company are prohibited from communicating with the public on behalf of the Company without the express permission of one of the Spokespersons. All requests for information about the Company from the media, analysts and others who make or influence investments must be referred to one of the Spokespersons.

3.5 Computer and Network Security

Computers have become an essential work tool for many of us. We must protect our computer systems and associated software programs from accidental or willful destruction, theft or corruption by taking these steps:

- Ensure access to computers is granted only to authorized users
- Protect the confidentiality of access codes and passwords
- Follow Company policy on purchase and use of authorized software programs

Occasional personal use of computers is permitted but personal commercial use is not. Check with your manager if you wish clarification of a personal use situation.

Use of computers is subject to other Company policies in place from time to time including but not limited to policies about e-mail and internet access and network security.

It is also important to remember that all communications contained on diskettes, voice mail, e-mail, instant messages, computer files and in our workspaces are Company property.

4.0 Conflict of Interest

A conflict of interest arises when we allow our personal relationships or interests to cloud our judgment and ability to make honest, ethical and sound business decisions. We may be inclined or influenced by others to give preference to our personal interests in situations where our corporate responsibilities must come first. In doing this, we may not only damage the Company's reputation but also our own. We all hold a position of trust that involves the responsibility for ensuring:

- We avoid situations that may lead to an actual or perceived conflict of interest
- We do not use our positions with the Company to influence or bypass company procedures for personal benefit or the benefit of friends, family or colleagues
- We do not acquire products or services from suppliers for personal use at less than fair market value
- We select suppliers with the best overall package in terms of price, product(s) and services that will meet the Company's business needs
- We do not work for a competitor or start up a business that competes with the Company

4.1 Gifts, Samples and Entertainment

To avoid real or perceived conflicts of interest and to ensure that we do not place or create the appearance of placing the Company under obligation to a person or company seeking to increase or engage in business with us, we should follow these guidelines in respect of suppliers and others with whom we have or may have business dealings:

- Employees must never solicit gifts.
- Employees must never accept gifts of cash or cash equivalent (e.g. gift cards, gift certificates, vouchers etc.)

- Only gifts of nominal value may be accepted by employees. Nominal (\$25.00CAN or less) gifts include items such as pens, mouse pads, calendars, caps, shirts and mugs. All other gifts must be turned over to the Department Head, so that they can either be given to a charitable organization, auctioned off with the proceeds going to charity, used at new store openings, or pooled for periodic employee raffles. All gifts received must be disclosed to your Department Head so that they can be recorded in a log.
- Turn over any gifts received for a personal appearance (such as a speech) to our Department Head for charitable or promotional use (we may keep prizes we win at industry sponsored skill testing events)
- Accept only a sufficient amount of product as samples to conduct a product evaluation or test
- Do not ask suppliers for any gifts or samples to sponsor Company teams or social events
- Accept invitations to meals, social events or any outside activities only if the occasion is business-related; they should also be moderate in value, in good taste and occur infrequently
- Disclose all invitations we accept to our Department Head so they can be recorded in a log
- Receive approval from the responsible Leadership Committee member, in accordance with our travel policy, to attend business trips sponsored by suppliers before we accept the invitation

The CEO and regional presidents may, at their discretion, approve exceptions to these guidelines. All such approvals granted must be documented to the Chief Human Resources Officer who shall report them annually to the Human Resources Committee.

Just as employees are expected to abide by the regulations detailing the Company's relationship with suppliers (outlined in this Section 4.1 and regional policies), suppliers are also expected to respect these regulations. Any supplier offering bribes or gifts in contravention of this Code will be subject to review of its continuing business relationship with the Company.

4.2 Family and Personal Relationships

Sometimes our personal and business lives overlap and we may find ourselves in a position of considering a business relationship with a relative, spouse or close friend or their employer. If an issue compromises, or creates the appearance or perception of compromising, our ability to act in the Company's best interests, we must discuss the matter with our Human Resources management. Issues that require discussion include:

- Hiring of a relative or close personal friend
- A family member is employed by a competitor at a senior level
- A person with whom we have a close personal relationship is a major shareholder or an executive with a competitor
- Purchasing goods or services for Company use from a family member or close friend

4.3 Membership on Boards of Directors

Occasionally, employees may be asked to become members of a Board of Directors. Subject to approval of our responsible Leadership Committee member and Human Resource management, we may accept providing that:

- The organization is not a competitor or supplier
- All activities are conducted on your own time
- Service on the Board does not involve divulging confidential or non-public information about the Company
- Membership on boards of companies that are publicly traded or crown corporations requires the approval of the President and Chief Executive Officer.

5.0 Customer Relations

Excellence in customer satisfaction along with consumer confidence form the foundation of our business. We must all ensure that:

- Customers' personal information, such as names, addresses, telephone numbers, email addresses, and financial information to which we may have access, is kept confidential
- The products and services we provide are of top quality
- We practice the highest food and drug safety and sanitation standards when handling products
- We adhere to the philosophy of 'truth in advertising'

We also expect third parties who are providing a product or service to our customers to reflect these principles in their dealings.

6.0 Community & Public Relations

Because of the delicate nature of media or public relations, any requests for information or opinions constituting the Company's viewpoint must be referred to the Communications and Corporate Affairs Department.

7.0 Political & Charitable Contributions

The Company and its Regions make contributions to worthy organizations in the communities we serve.

The use of Company funds, goods or services and contributions to political parties, candidates or campaigns must be authorized by the Communications and Corporate Affairs Department.

If employees choose to work on political or volunteer organizations, they must do so on their own time. Comments and actions should be stated to be a reflection of your own views and not be attributed to the Company.

Although the Company encourages involvement in community activities, employees should discuss the nature of their planned involvement with their manager to gain approval for and clarification of their role on such committees and associations.

8.0 Relations with Competitors

The Company regularly engages in legal activities to obtain information about its competitors. We do not condone:

- Engaging in industrial espionage or theft
- Buying information about our competitors gained illegally from others
- Coercing competitors' employees into divulging confidential information
- Selling or divulging Confidential Information about the Company to competitors
- Misrepresenting or making disparaging remarks about the quality of our competitors' products or services

If employees sit on committees of regulatory, professional or other trade associations with competitors, they should discuss the nature of their planned involvement with their supervisor to gain approval for and clarification of their role on such committees or with such associations.

9.0 Provisions for Compliance with the Code of Business Conduct and Ethics

Every employee is responsible for knowing, understanding and complying with this Code. If we are ever in doubt as to the acceptability of any of our actions or involvement, we should discuss the matter with our manager or our Human Resources representative to obtain clarification of the Company's position on an issue.

All employees and Directors are required, upon first joining the Company and annually thereafter, to sign an acknowledgment confirming that they have read and understand the Code and will comply with its provisions.

9.1 Consequences for Breach of the Code

The Company has a reputation for honest and ethical behaviour which we must do our utmost to preserve. Any breach of the Code or evidence thereof will be taken seriously. Any alleged breach of the Code or commission of an illegal act will be fairly and thoroughly investigated in a manner that respects all of the parties involved. Depending on the severity of the case, any established violation can and may result in immediate disciplinary action up to and including dismissal.

9.2 Reporting Breaches of the Code

All employees are expected to report situations where they believe there has been a violation of the Code. There will be no reprisals against any employee making such a report or raising questions or concerns about any matter related to the Code as long as that employee is acting in good faith. Employees are encouraged to first discuss the situation with their manager or Human Resources representative, or a senior manager with whom they feel comfortable speaking.

The Ethics Line is a confidential means of reporting employee concerns regarding actions and behaviour that are unethical, illegal or potentially damaging to the Company's reputation or the integrity of its brands. The Ethics Line is available to all employees of the Company across all store banners, and in all retail support centres and offices. Employees can access the Ethics Line in three ways:

- By toll-free number 24 hours a day at 1-888-427-2530. This line is professionally and independently staffed, and employees are not required to identify themselves when making a report.
- On the internet at <https://www.tnwinc.com/webreport>
- By mail to The Network, 333 Research Court, Norcross, GA 30092, Attention: Sobeyes

9.3 Waivers of the Code

Waivers of any provisions of the Code will only be granted in exceptional circumstances. In the case of executive officers and members of the Board of Directors of Sobeyes Inc., waivers can only be granted by the Board of Directors of Sobeyes Inc. or designated Board committee, and will be publicly disclosed as required by law or regulation. Waivers for other employees can only be granted by the responsible Leadership Committee member and must be fully documented and reported to the General Counsel.

9.4 Reimbursement of Incentive and Equity Based Compensation

The Board of Directors may, in its sole discretion, to the full extent permitted by governing law and to the extent it determines that it is in the Company's best interest to do so, require reimbursement under certain circumstances of all or a portion of annual and long-term incentive compensation received by certain designated executives including the CEOs and CFOs of Empire and Sobeyes Inc. Specifically, the Board may seek reimbursement of full or partial compensation from an executive or former executive in situations where: (a) the amount of incentive compensation was calculated based upon, or contingent on, the achievement of certain financial results that were subsequently the subject of or affected by a restatement of all or a portion of the Company's financial statements; and (b) the incentive compensation payment received would have been lower had the financial results been properly reported.

**SOBEYS INC.
CODE OF BUSINESS CONDUCT and ETHICS
ACKNOWLEDGEMENT**

I, _____, acknowledge having received and read the contents of the Sobeys Inc. Code of Business Conduct and Ethics and I will abide by its terms.

Date

Employee's Signature

Unit #/Location

Title

Division

Operating Company Name

I, _____, declare that I have discussed the Sobeys Inc. Code of Business Conduct and Ethics with the Employee whose signature is noted above.

Signature of Immediate Manager